

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
Express Mail Contract 11 (MC2011-14)  
Negotiated Service Agreement

Docket No. CP2011-50

PUBLIC REPRESENTATIVE COMMENTS  
(December 30, 2013)

INTRODUCTION

On December 19, 2013, the Postal Service filed notice to amend the existing prices for Priority Mail Express Contract 11.<sup>1</sup> The Postal Service filed documents supporting its proposed rate increases under seal. The Public Representative (PR) bases its Comments on these documents.

The amendment modifies the annual adjustment provision by annually adjusting the prices in Table A of Priority Mail Express Contract 11 by the most recent cell by cell increases/decreases in prices of general applicability for Priority Mail Express Commercial Base. *Amendment 2 Notice, Attachment A, at 1.* In addition, the amendment modifies the prices in Table B, by adjusting the prices by the most recent cell by cell increases/decreases in prices of general applicability for Priority Mail Express Commercial Plus. *Id.* The Postal Service states that its proposed amendment is in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). In other words, it claims that the annual price adjustments for each product in Contract 11 is expected to allow each

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<sup>1</sup> Notice Of United States Postal Service Of Change In Prices Pursuant To Amendment To Priority Mail Express Contract 11, filed under seal (December 19, 2013) ("Amendment 2 Notice").

product to cover its attributable costs, will not subsidize competitive products by market dominant products, and will not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

#### Public Representative Comments

The Public Representative has reviewed the detailed cost, revenue and forecasting materials the Postal Service provided under seal. The Public Representative finds the calculations without error and concurs with the Postal Service that the proposed amendments will allow each offering to cover its attributable costs, to avoid subsidization by market dominant products, and is expected to yield contributions greater than the amount required towards the recovery of its institutional costs. The Public Representative notes that although cost coverage is expected to modestly decline expected cost coverage will still allow this products included in this Contract to make a contribution toward the recovery of institutional cost above the required minimum.

Respectfully submitted,

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Lawrence Fenster  
Public Representative for Docket CP2011-50  
[larry.fenster@prc.gov](mailto:larry.fenster@prc.gov)  
202-789-6862